

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
GEPS 11 (MC2019-132)  
Negotiated Service Agreements

Docket No. CP2019-176

CHAIRMAN'S INFORMATION REQUEST NO. 2

(Issued April 30, 2020)

To clarify the Postal Service's Notice of filing a modification to a Global Expedited Package Services 11 Negotiated Service Agreement (NSA), filed on April 27, 2020,<sup>1</sup> the Postal Service is requested to provide written responses to the following questions. The responses are due no later than May 7, 2020.

1. The Modification revises the contract rates to be paid until the expiration of the contract on June 30, 2020. Notice, Attachment 1 at 1. The financial workpapers filed in support of the Notice indicate that the Postal Service anticipates negative inflation for domestic and international transportation during this period, which would put downward pressure on costs. Please explain why the Postal Service expects these negative inflation projections to accurately reflect the actual cost of providing contract services during the time period that the revised rates would be in effect. As part of this explanation, please discuss the following topics.
  - a. Please discuss whether the Postal Service has observed reduced domestic and international transportation costs for outbound international mail and provide documentation of these observations.

---

<sup>1</sup> Notice of the United States Postal Service of Filing Modification One to a Global Expedited Package Services 11 Negotiated Service Agreement, April, 27, 2020. The modification is an attachment to the Notice (Modification).

- b. Please discuss whether the Postal Service expects domestic and international transportation costs to decrease across modes of domestic and international transportation due to circumstances related to Covid-19. Please discuss whether and how the Postal Service expects costs of providing contract services during the period the revised rates will be in effect will be affected by air to sea diversion caused by reductions in available air transportation due to Covid-19.<sup>2</sup>
  - c. Please discuss whether the Postal Service expects qualifying mail under the revised contract to be affected by service suspensions or restrictions due to Covid-19, and any corresponding impact on costs.
2. Please discuss the expected impact of Covid-19 on the costs of providing contract services for outbound international NSAs, and the ongoing ability of these agreements to continue to comply with 39 U.S.C. § 3633(a)(2).

By the Chairman.

Robert G. Taub

---

<sup>2</sup> See, e.g., United States Postal Service, *United States Postal Service Industry Alert* (April 23, 2020), available at: [https://postalpro.usps.com/mnt/glusterfs/2020-04/International%20Service%20Impact%20%20USPS%20to%20Use%20Sea%20Transportation%20\(April%2023,%202020\).pdf](https://postalpro.usps.com/mnt/glusterfs/2020-04/International%20Service%20Impact%20%20USPS%20to%20Use%20Sea%20Transportation%20(April%2023,%202020).pdf).